

CORPORATE RESPONSIBILITY REPORT



TABLE OF CONTENTS

INTRODUCTION

3

About Franklin BSP Realty Trust, Inc.

4

CEO Letter

5

About this Report

6

OUR APPROACH TO ESG

6

Our Shared Strategy

7

Our ESG Strategic Focus and Partnerships

7

Materiality Based Approach to ESG

8

ESG & Sustainability Oversight

9

Embedding ESG Considerations into our Investment Processes

10

GOVERNANCE

11

Board Composition

13

Risk Management

16

Data Privacy and Security

17

Stockholder Rights

18

Oversight of Compensation Risk

19

Business Ethics and Transparency

20

OUR PEOPLE

22

Talent Attraction and Development

22

Employee Engagement and Incentives

23

Diversity, Equity, and Inclusion

25

Labor, Health, and Safety

27

OUR COMMUNITY

28

ENVIRONMENT

29

Integrating Environmental Factors into Investments

30

Sustainability Efforts in Our Operations

31

Environmental Strategy

31

Operational Footprint

32

APPENDIX

33

Performance Metrics

34

Sustainable Accounting Standards Board Framework

37

FORWARD-LOOKING STATEMENTS

Certain statements included in this report are forward-looking statements. Those statements include statements regarding the intent, belief, or current expectations of Franklin BSP Realty Trust, Inc. (“we,” “our,” “us,” or the “Company”) and members of our management team, as well as the assumptions on which such statements are based, and generally are identified by the use of words such as “may,” “will,” “seeks,” “anticipates,” “believes,” “estimates,” “expects,” “plans,” “intends,” “should” or similar expressions. Actual results may differ materially from those contemplated by such forward-looking statements. Further, forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time, unless required by law.

Our forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements, and thus our investors should not place undue reliance on these statements. We believe these factors include but are not limited to those described under the section entitled “Risk Factors” in our Annual Report, as such factors may be updated from time to time in our periodic filings with the Securities and Exchange Commission (the “SEC”), which are accessible on the SEC’s website at <https://www.sec.gov>. Please see our 2024 10-K filing for specific risk factors.

This report contains statements regarding environmental, social and governance information and opinions, including metrics, aspirations, commitments, cumulative values, and sustainability objectives (all of the foregoing and any other contents of this report being, collectively, the “ESG Information”). The ESG Information included in this report may consider disclosure recommendations and broader definitions of materiality used by certain voluntary external frameworks and reporting guidelines that differ from mandatory regulatory reporting, including the U.S. Securities and Exchange Commission. Accordingly, any such ESG Information may be presented from a different perspective and in more detail than in FBRT’s regulatory reporting, and materiality and any use of the term “material” in the context of the sustainability information may be distinct from such term as defined for SEC reporting purposes. Any inclusion of ESG Information in this report is not an indication that the subject of the information is material to FBRT for SEC reporting purposes.

About Franklin BSP Realty Trust, Inc.

Franklin BSP Realty Trust, Inc. (“FBRT” or “the Company”) is a real estate investment trust (“REIT”) that originates, acquires, and manages a diversified portfolio of commercial real estate debt secured by properties in the United States. We maintain a large pipeline of investment opportunities cultivated by our experienced real estate team. FBRT is wholly externally managed by Benefit Street Partners L.L.C. (“BSP” or “Our Advisor”) and does not have any employees.

FBRT’s strategy is focused on originating and managing a portfolio of commercial real estate debt, which is diversified by property type and geographic location. We also invest in subordinate loans, mezzanine loans, and securities. Our flexible lending approach allows our real estate team, which has extensive experience and expertise in origination, underwriting, and asset management, to customize each loan to a specific property. For more information on our investment strategy, please refer to [our website](#).

We believe that our diversified portfolio of senior floating rate loans, conservative and flexible balance sheet, and reliable Advisor serve as unique differentiators that propel our value proposition. A sample of our transactions can be [viewed here](#).

Our external Advisor and its commercial real estate team provide critical, cost-effective support services to generate stable income and attractive risk-adjusted returns for our stockholders. Additionally, our network of relationships with brokers and borrowers drives proprietary deal flow and a large pipeline of investment opportunities. We lend against all commercial property types with a national origination footprint and invest across the capital structure.

BSP is a wholly owned subsidiary of Franklin Resources, Inc. (“Franklin Templeton” or “FT”), who is one of the world’s largest independent investment managers. Franklin Templeton is a signatory of the United Nations Principles for Responsible Investment (“UN PRI”), Institutional Investors Group on Climate Change (“IIGCC”), Investor Network on Climate Change (“INCC”), and Social Investment Forum (“SIF”). Our relationship and interconnectivity with BSP and their parent organization, Franklin Templeton, remain integral and highly relevant to our own focus on environmental, social, governance (“ESG”) matters.

Relationship between Franklin BSP Realty Trust, Benefit Street Partners, and Franklin Templeton:

Franklin Templeton

NYSE: BEN

 IPO: 1971

 AUM: \$1.4T¹

 Employees: 7,164²

 Offices: 80+ office in 30+ countries³

Wholly-owned Subsidiary

Benefit Street Partners

 Advisor of FBRT  Leading credit-focused alternative asset manager

 \$76B AUM⁴  443 employees⁵

Management Contract

Sponsorship

Franklin BSP Realty Trust

NYSE: FBRT

 Externally managed REIT  NYSE-listed

 Zero employees

¹ Franklin Templeton assets under management as of December 31, 2023

² Franklin Templeton headcount as of December 31, 2023

³ Franklin Templeton offices as of December 31, 2023

⁴ Benefit Street Partners assets under management as of December 31, 2023

⁵ Benefit Street Partners headcount as of December 31, 2023

A Message from Our CEO

Dear Stakeholders,

I am pleased to present Franklin BSP Realty Trust's 2023 Corporate Responsibility Report. This report aims to provide our stakeholders with a comprehensive view of the progress we have made to both sustain and advance our environmental, social, and governance ("ESG") program over the past year. We remain committed to our ESG strategy, ensuring that elements of our program are incorporated throughout our business, resulting in enhanced risk management processes and a more resilient portfolio that delivers long-term sustainable value for our stakeholders.

The expertise and resources of our external advisor, Benefit Street Partners, and its parent company, Franklin Templeton, not only guide our investment process, but also underpin our ESG program. Our Board of Directors plays a key role in the oversight and implementation of this strategy, providing industry-specific knowledge and experience on a variety of topics that support our ESG program, such as risk management, corporate governance, and sustainability.

We believe effective management of ESG issues can have a meaningful impact on credit quality. Each of our investments undergoes a comprehensive risk and impact assessment in which we apply BSP's Responsible Investment Policy and Principles. We believe this strategy enables FBRT to make responsible business decisions that translate to sustained value.

While our ESG strategy and governance framework remain consistent, we actively monitor and adjust our program based on evolving market conditions and feedback from key stakeholders. FBRT continues to align its disclosures with those recommended by the Sustainability Accounting Standards Board ("SASB"). We believe strategic association with reputable third-party frameworks will position FBRT to align with global reporting standards, such as the International Financial Reporting Standards ("IFRS"), and set the foundation to comply with upcoming regulations, as the recommended disclosures under these frameworks often correspond with regulatory requirements.

We consider corporate responsibility reporting a key method through which we uphold accountability within our business and we therefore value the opportunity to provide our stakeholders with a transparent view into our business processes. We look forward to sharing our continued ESG progress with stakeholders.

Sincerely,



RICHARD BYRNE



Chief Executive Officer and
Chairman of the Board of Directors

About this Report

At Franklin BSP Realty Trust, Inc., we believe we have a responsibility to serve, support, and be transparent with our stakeholders. As part of this overall mission, we are committed to effectively manage relevant ESG and sustainability issues and report our progress regularly. We believe a deliberate focus on our own sustainable business practices, and those of BSP, strengthens our ability to effectively identify, respond to, and manage risk in a way that enhances our operations, assets, reputation, and ultimately our resilience as an organization.

We are excited to share our 2023 Corporate Responsibility Report which showcases FBRT's and BSP's responsible investment and sustainability efforts and progress over the past year. Performance metrics and data in this report reflect the period of January 1, 2023 through December 31, 2023, unless otherwise stated.

The purpose of this report is to provide stakeholders with decision-useful, relevant, and meaningful information pertaining to our management of ESG risks and opportunities and broader sustainability practices embedded into our business. Our reporting has been informed by the International Financial Reporting Standards ("IFRS") Sustainability Accounting Standards Board ("SASB") reporting guidelines for the Mortgage Finance and Asset Management and Custody Activities industries, ensuring we assess relevant risks and opportunities and communicate impactful information regarding topics deemed potentially material to our industry.

Our Approach to ESG

ESG and sustainability considerations are fundamental to both operational and financial risk assessments. The integration of such considerations into our operations and investment decisions strengthens risk management, enhances resilience, and fosters a positive impact on society.

We are committed to allocating resources towards initiatives that we believe strengthen our risk-adjusted returns across our portfolio, including those focused on ESG and sustainability.

FBRT relies on four key tenets to guide our ESG strategy:



CORPORATE GOVERNANCE

We are committed to sound, ethical, and transparent governance practices and reporting, including regular engagement with stockholders and other key stakeholders.



OUR PEOPLE

We are committed to the wellbeing, development, and success of BSP's workforce.



OUR COMMUNITY

We are committed to supporting the communities in which we live and operate, and those with which we interact through the course of doing business, and remaining cognizant of our ability to have an impact on these communities.



ENVIRONMENTAL RESPONSIBILITY

We are committed to supporting and advocating for responsible environmental practices relevant to our investment strategies.

Our Shared ESG Strategy

As an externally managed REIT without any employees, our ESG strategy, policies, and associated sustainability initiatives are driven by BSP and Franklin Templeton, subject to the oversight of the Nominating and Corporate Governance Committee of our Board of Directors. The Board and the Nominating and Corporate Governance Committee engage and collaborate regularly with BSP and Franklin Templeton on these policies as they relate to our Company.

FBRT aligns its commercial real estate lending and business practices with the United Nations Principles for Responsible Investment ("UN PRI"), of which Franklin Templeton is a signatory. Signatories of the UN PRI commit to six Principles, developed by investors, that ensure ESG considerations are factored into fiduciary responsibilities to promote the best long-term interest of beneficiaries. For more information on Franklin Templeton and BSP's efforts, please refer to Franklin Templeton's [Global Citizenship](#) and [Sustainable Investing and Stewardship](#) webpages.

Our ESG Strategic Focus and Partnerships

Since 2022, we have partnered with a third-party advisor to develop our Corporate Responsibility Report and foundational elements of our sustainability program. We believe such efforts, including the publication of this report, continue to reduce both real and perceived business risk, strengthen our competitive position, and ensure we continue to deliver superior risk-adjusted returns to our stockholders.

Partnering with experts and our Advisor, we gain ESG insights to strengthen disclosures and integrate sustainable practices into existing business processes. This helps align our reporting with best practices and fosters focused discussions with stakeholders.

For further information on our sustainability efforts, please see the [Sustainability Efforts in Our Operations](#) section of this report.

ESG Firm-Wide Commitment

BSP believes effective management of ESG issues can have a meaningful impact on credit quality.



COMMITMENT

Franklin Templeton commitment to UN PRI and a long-standing Responsible Investing Policy



LEADERSHIP & GOVERNANCE

BSP's ESG Committee brings together senior management and investment leadership across BSP's platform to guide and provide oversight for responsible investing policies and processes



EVALUATIONS

Collection and review of ESG checklists provided by third-party engineering reports



INTEGRATION

BSP's firm-wide responsible investment program sets the framework, and is then tailored to a specialized approach for each strategy incorporating early screening, independent and proprietary ESG risk ratings, Investment Committee review, monitoring and reporting



LOOKING FORWARD

BSP's investment strategies aspire to align and evolve in concert with global standards for private markets



LONG-TERM STRATEGY

Offer attractive risk-adjusted returns while aligning with sustainable business practices

Materiality Based Approach to ESG

FBRT leverages industry-specific standards from the Sustainability Accounting Standards Board to inform our overall ESG strategy and associated reporting. We believe SASB's well-informed indication of industry-specific material topics is a useful tool to guide reporting through targeted disclosures that increase transparency and enhance value for our stakeholders. To further advance our disclosures and strategy, we incorporate insights and recommended disclosures from well-regarded third parties in the sustainability data and ESG ratings ecosystem, such as Institutional Shareholder Services ("ISS") and MSCI.

We also refine our disclosures and reporting practices based on stakeholder needs. Our major stakeholders of focus include the investment community, relevant workforces across BSP and Franklin Templeton, and the communities in which we live and operate. This comprehensive approach ensures the thematic areas we highlight remain central to our strategy and effectively address stakeholder priorities.

These focus areas guide our resource allocation and efforts towards improved performance and transparent reporting on ESG and sustainability matters. We evaluate

the relevance of each topic to ensure they reflect stakeholder expectations in an evolving competitive landscape. Our focus areas have remained consistent with those identified in 2022, as there has been no change in our overall strategy. This evaluation process informs our reporting, investment decisions, goal setting, and overall ESG strategy. Potential adjustments due to changes in the regulatory environment or stakeholder needs are reviewed internally before being presented to the Nominating and Corporate Governance Committee for final approval.



BUSINESS ETHICS, TRANSPARENCY, AND CORPORATE GOVERNANCE

FBRT benefits from a Board of Directors with a range of perspectives, ensuring well-rounded decision-making and effective strategy implementation. As a company, we operate with transparency and ethics front-of-mind to bolster the trust of stakeholders and reduce our exposure to risk. We believe we have appropriate policies and procedures in place to ensure our workforce adheres to the highest ethical principles.



ENVIRONMENTAL FOOTPRINT AND CLIMATE-RELATED RISKS & OPPORTUNITIES

We recognize the importance of mitigating environmental risk in both our operations and in our investments, in addition to minimizing BSP and FBRT's operational footprint. We continue to consider ways to address energy usage, greenhouse gas emissions, waste generation, and water usage, and take action when appropriate.



ADHERENCE TO RESPONSIBLE INVESTMENT PRACTICES

FBRT and BSP are unified in our approach to responsible investment and stewardship of capital by considering ESG risks in investment decision-making processes. We believe that the integration of ESG- and sustainability-related factors into investment decisions strengthens our credit underwriting and monitoring processes.



DIVERSITY, EQUITY, AND INCLUSION

We are committed to fostering a diverse and inclusive workplace that provides equal opportunities and values all perspectives, and BSP tracks various diversity metrics to monitor our progress.



HUMAN CAPITAL

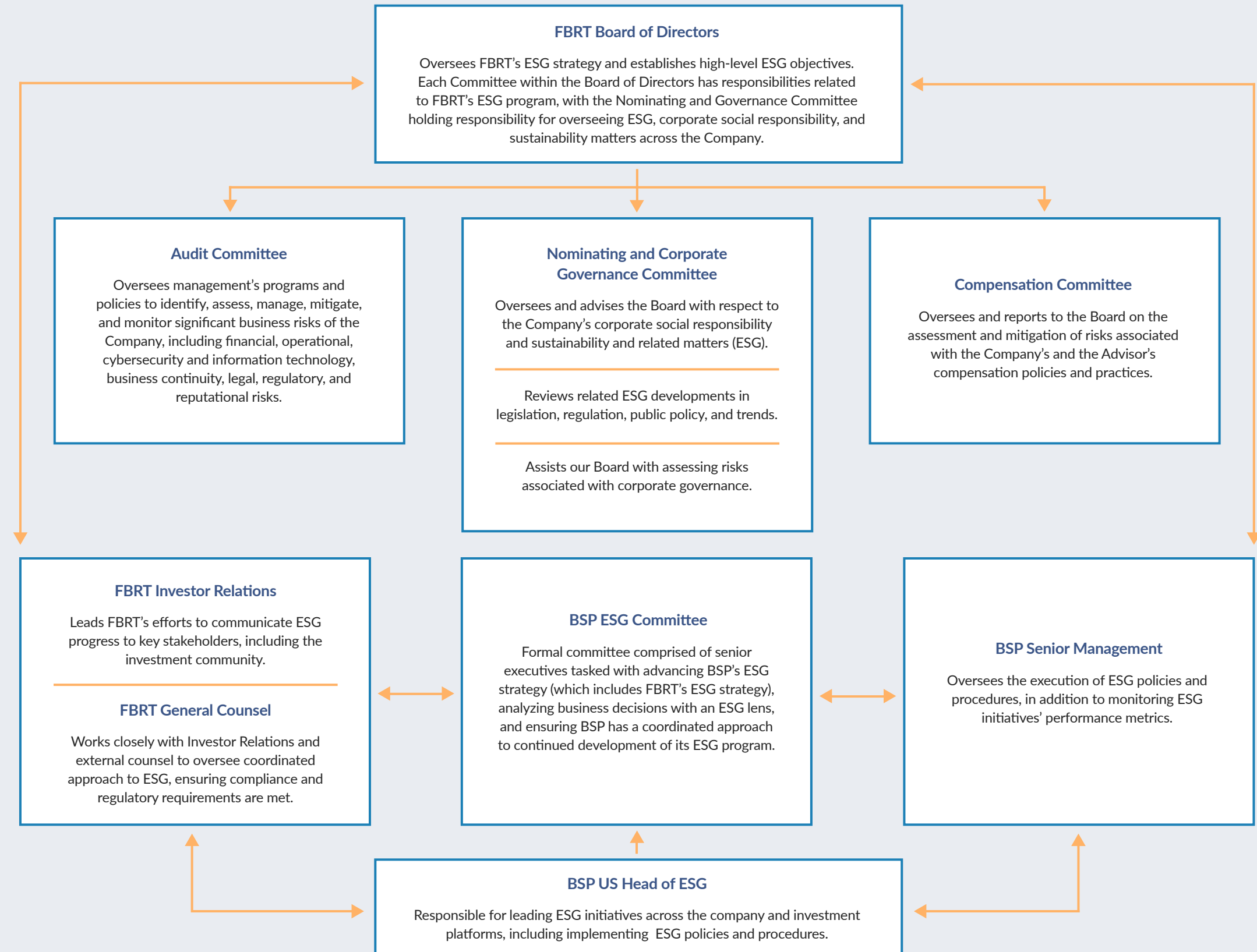
Prioritizing the development and wellbeing of our workforce is not only a key aspect of our approach to managing risk, but it is also the right thing to do. BSP and FT provide our workforce with the resources, programs, and support they need to advance in their careers, prioritize wellbeing, and feel empowered to make an impact.

ESG & Sustainability Oversight

The Nominating and Corporate Governance Committee oversees and advises the Board on ESG matters.

BSP's dedicated ESG team oversees the integration of ESG practices across BSP's platform. BSP's ESG Committee is comprised of senior executives and leverages external subject matter experts for advisory, when needed. The ESG Committee facilitates collaboration and knowledge sharing of ESG and sustainability practices across the organization and encourages employee participation in firmwide ESG initiatives.

In addition to the ESG Committee, we assign ESG responsibilities to individuals at various levels to ensure that our responsible investment principles are embedded throughout our business:



Embedding ESG Considerations into our Investment Processes

Our capital allocation and investment strategy integrates ESG and sustainability considerations into our credit underwriting and monitoring process. We believe this practice enhances our ability to make well-informed and responsible investment decisions, ultimately aiding in the mitigation of risk and creating long-term value for our investors.

As discussed in the [ESG & Sustainability Oversight](#) section, BSP has established strong internal oversight to incorporate ESG investment criteria into our investment strategy and improve alignment between our asset-level evaluations and our firm-wide responsible investment program.

BSP's Responsible Investment Policy and Principles aids in the integration of ESG factors into investment decisions. We consider a wide range of these factors that include, but are not limited to, environmental, social, health, safety, labor, and governance criteria. These criteria are incorporated into our investment process with the goal of identifying high-risk investments or concerns before continuing with our evaluation. From there, we more thoroughly incorporate additional considerations related to ESG and sustainability during screening and due diligence of potential investments. We believe these considerations strengthen our screening process and are central to sound investment decisions.

Primarily focused on senior loan originations in a competitive real estate finance environment, FBRT remains mindful that borrower, sponsor, and service provider commitments to ESG standards may contribute to the credit, risk, and performance profile of our investments.

Additionally, we evaluate environmental risks during the loan underwriting process, typically mandating Phase I Environmental Site Assessments ("ESA") to identify and assess potential environmental liabilities associated with a property. We require our borrowers to obtain flood insurance, earthquake insurance, wind insurance, and/or environmental insurance to mitigate the risks of losses due to environmental issues, such as natural disasters, to the extent they are appropriate and practicable. If there is a situation where a certain risk is un-insurable or under-insured, we further mitigate with recourse carveouts or lower leverage. These efforts allow FBRT to consider and assess risks associated with the increased frequency and severity of natural disasters and potential costs and liabilities associated with environmental-related remediation.

Environmental factors such as energy and water efficiency, as well as certifications like Leadership in Energy and Environmental Design ("LEED"), an international green building certification program, and other green certifications are important to our investment decisions. This approach strengthens our competitive positioning and ability to deliver attractive risk-adjusted returns for our stockholders.

GOVERNANCE

Governance

FBRT remains committed to upholding corporate governance practices that promote a culture of accountability and transparency. Our corporate governance practices are underpinned by a comprehensive set of policies that outline expectations for BSP employees providing services to us, partners, and other third-parties to maintain the highest standards of ethics and integrity. These policies and practices reinforce our commitment to ethical business practices and create an environment in which FBRT is poised to deliver long-term stockholder value. Our management team supports this endeavor with a diverse set of perspectives, skills, and knowledge that allows our team to continuously assess ways to enhance the effectiveness of our corporate governance practices. Additionally, FBRT maintains risk management programs to ensure we remain compliant with all applicable laws and regulations.

Board Composition

Our Board of Directors is responsible for the oversight of Company management, ensuring strategic decisions are made with the long-term value of our stakeholders in mind. The full Board operates under the standards set by the NYSE and SEC and seeks to exceed these standards when possible. These guidelines set expectations for ethical behavior and equip our Board to make well-informed business decisions.

Our Board possesses a broad range of expertise and experiences that foster a well-rounded approach to governance and risk management. Many of our Directors have experience with evolving social and environmental issues, such as human capital and sustainability. The Company's management believes that having a majority of independent and experienced directors, including a lead independent director with specified responsibilities on behalf of the Board, provides the most effective leadership structure for the Company and its stockholders. For more information on the distribution of skills and expertise of our Board please refer to our [2024 Proxy Statement](#).

Our Board's expertise includes:

 Strategy Development

 ESG

 Risk Management

 REITs

 Corporate Governance

 Operations

Board Composition

● Independent
 ● Audit Committee
 ● Compensation Committee
 ● Nominating & Corporate Governance Committee
 Ⓒ Chair



RICHARD BYRNE

CEO & Chairman of the Board

EXPERIENCE:

Deutsche Bank
Merrill Lynch



PETER MCDONOUGH

EXPERIENCE:

Diageo North America
The Procter & Gamble Company
University of Canterbury
Gillette
Black & Decker



PAT AUGUSTINE

EXPERIENCE:

Solomon Brothers
NationsBank (Bank of America)
Swiss RE Insurance Asset Management
Meridian Enterprises



BUFORD ORTALE

EXPERIENCE:

Merrill Lynch
NationsBanc
Sewanee Ventures
Enliven Partnership
Armour, LLC
Western Express
PNQR



JOE DUMARS

EXPERIENCE:

National Basketball Association ("NBA")
Sacramento Kings
Independent Sports & Entertainment
Detroit Pistons



ELIZABETH TUPPENY

Lead Independent Director

EXPERIENCE:

Domus
EKT Development, LLC
Earle Palmer Brown
Weightman Advertising
The Marketing Group
Philadelphia Industrial Development Council



JAMIE HANDWERKER

EXPERIENCE:

KSH Capital
Cramer Rosenthal McGlynn
Windridge Partners, L.P
ING Barings



Board Diversity

At FBRT, we recognize the importance of having a Board that shares our values of inclusivity and diversity. The FBRT Nominating and Corporate Governance Committee is responsible for identifying Director candidates and reviewing the composition of our Board, which includes considerations such as diversity. The overall composition of our Board is 43% diverse in terms of race and gender. Additionally, our Directors possess a diverse set of skills, including experience with environmental and social initiatives. Such characteristics and experiences help foster an inclusive culture and ensure various perspectives are embedded in decision-making.

Annually, the Nominating and Corporate Governance Committee conducts a review of the skills and characteristics of individual Board members, as well as the organization, function, and composition of the Board as a whole. The Nominating and Corporate Governance Committee's annual review includes a self-evaluation process for the Board and each of its committees. The process aims to collect candid feedback on the performance of the Board through both an open-ended questionnaire and interviews conducted by the Lead

Independent Director. The Lead Independent Director and Chair of the Nominating and Corporate Governance Committee are responsible for relaying results of the self-evaluations to the full Board, with a focus on opportunities for improvement. The results are also leveraged by the Nominating and Corporate Governance Committee when determining the characteristics and skills required for prospective Board candidates and when opining on the assignment of Board members to committees.

Our Director composition is reflected below.

43%

Gender or Racially Diverse

29%

Female

14%

Racially Diverse



Board Committees and Responsibilities

Our Board fulfills much of its responsibilities through its committees. FBRT's three Board committees are fully independent and provide focused oversight of critical business areas such as financial reporting, compensation, and Director elections. These committees and an overview of relevant responsibilities, as designated through respective committee charters, are as follows:

1

AUDIT COMMITTEE



Monitor the Company's financial reporting process and the integrity of Company financial statements, compliance with legal and regulatory requirements, and performance of internal controls over financial reporting.



Monitor the Company's risk assessment and risk mitigation policies and programs, including those related to privacy and cybersecurity.



Our independent registered public accounting firm reports directly to the Audit Committee.

2

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE



Oversee and advise the Board with respect to the Company's corporate governance matters, including Director elections, Corporate Governance Guidelines, and the evaluation of the Board. Additional committee responsibilities can be found in our 2024 Proxy Statement.



Assist with the development of executive succession plans and resolving potential conflict of interest situations and transactions.



Oversee and advise the Board with respect to the Company's corporate social responsibility and sustainability and related matters (ESG), and review related developments in legislation, regulation, public policy, and trends.

3

COMPENSATION COMMITTEE



Review, determine, and implement the Company's compensation philosophy and executive officers' compensation.



Determine from time to time the remuneration for the Company's directors.



Administer the Company's equity and other incentive compensation plans to align interests of BSP employees with FBRT stockholders.

Our Board of Directors and corporate governance practices are supported by comprehensive governance policies, as demonstrated below, which reflect the interests of our stockholders:

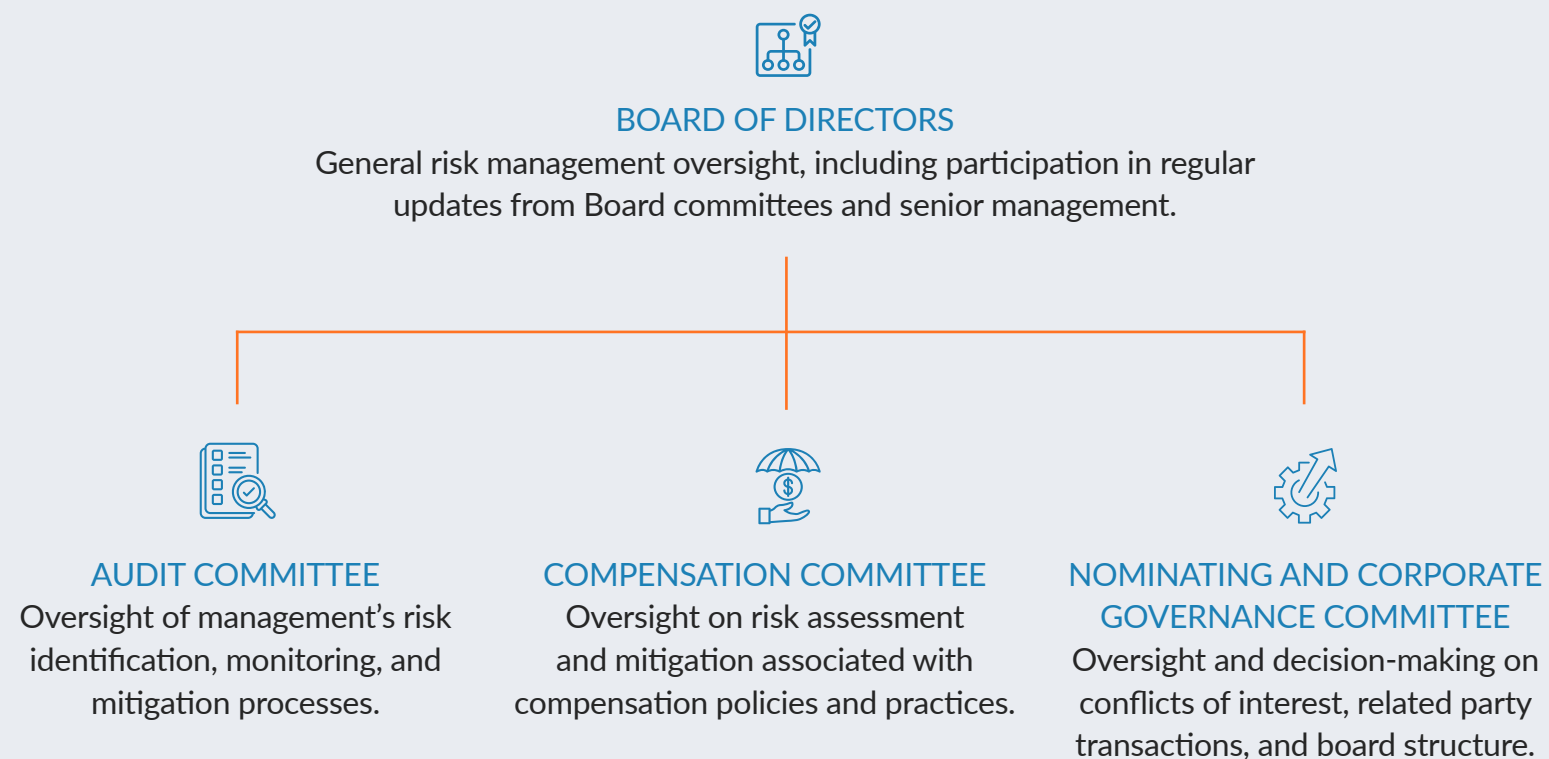
- Majority Director independence policy, with 86% of the Board being independent Directors
- The Board has explicit overboarding restrictions
- The Board has a majority vote standard, a Director resignation policy, and is not classified
- Our Board and its committees conduct annual self-evaluations
- The Lead Independent Director has robust governance responsibilities

Additional information can be found in our [2024 Proxy Statement](#).

Risk Management

Our proactive approach to risk management helps FBRT to effectively manage and mitigate hazards that may impact our business and has resulted in enhanced stockholder trust and financial performance. Our Board of Directors plays an active role in overseeing FBRT's risk management practices, with the Audit Committee overseeing dedicated BSP senior staff that support the day-to-day execution of our established risk management efforts at an operational level. In addition, our Compensation Committee and Nominating and Corporate Governance Committee oversee and assist with decision-making on various risks relevant to their respective responsibilities, such as those associated with compensation practices or board structure. This approach allows for efficient identification of risks and expeditious mitigation of any potential threats throughout all levels of our business.

Our Board committees each play an important role in the management and mitigation of risk at FBRT.



Senior staff and management monitor financial, legal, operational, and regulatory risks relevant to our business. We recognize the importance of assessing risks, specifically those related to investments, business segments, conflicts of interest, corporate structure, taxation, and investments into our Company. The risks we have identified include, but are not limited to, the following:

- Changes in governmental laws and regulations
- Changes in interest rates, including periods of high interest rates, and availability of permanent mortgage funds that may render the sale of property difficult or unattractive
- Financing limitations due to general economic and market conditions
- Real estate considerations, such as natural disasters, health crises, or acts of war or terrorism
- Costs of remediation and liabilities associated with environmental conditions affecting properties
- An oversupply of (or a reduction in demand for) particular properties to prospective tenants
- Reduced demand for office space, including as a result of changes in work habits, such as remote or hybrid work schedules
- Insurance coverage on potential property losses
- Competition
- Limitations of due diligence process

Risk identification allows FBRT to enact the appropriate internal controls with the ultimate goal of mitigating the risks and better positioning FBRT for long-term success. Independent auditors are tasked with evaluating our internal controls and their final evaluations are discussed with the Audit Committee. This established process and our existing internal controls ensure well-functioning business processes and allows us to provide reasonable assurance over the preparation and presentation of our financial statements.

More information on our risks and risk management structure can be found in both our [2023 Form 10-K](#) and [2024 Proxy Statement](#).

Data Privacy and Security

Safeguarding information security and maintaining strong controls around data is essential for FBRT. We recognize the critical importance of protecting all sensitive data that comes into and flows out of our organization.

As part of our broader risk management strategy, we employ robust oversight and management procedures designed to identify and mitigate potential cybersecurity threats. Pursuant to our Advisory Agreement, we rely on our Advisor and, therefore, Franklin Templeton for our information security systems and related programs to defend against and respond to cybersecurity threats.

Our Audit Committee is responsible for overseeing cybersecurity risk management and, therefore, reviews and discusses the Company's privacy, information technology, and cybersecurity risk exposure with management. Certain members of our Audit Committee hold cybersecurity certifications from reputable organizations, including the National Association of Corporate Directors ("NACD") in Cyber-Risk Oversight. These qualifications further equip our Audit Committee to fulfill its risk management responsibilities and make well-informed decisions regarding FBRT's cybersecurity program.

Supporting our Audit Committee is a knowledgeable and experienced team that is led by both Franklin Templeton's Chief Information Officer and Chief Risk & Transformation Officer. On a quarterly basis, the Advisor's

Chief Information Security Officer, or its delegee, report to the Board or Audit Committee on information technology and cybersecurity matters, including a detailed threat assessment relating to information technology risks. Additionally, our risk and security personnel are equipped with a holistic understanding of our systems, data, and risk management capabilities to ensure cybersecurity standards are proliferated throughout our Company.

When assessing our cybersecurity risk exposure, we examine the potential impact to our operations, including financial performance and reputation, and consider the ways in which our current policies and processes can help minimize these risks. Franklin Templeton also undertakes regular internal and external security audits and vulnerability assessments to reduce the risk of a cybersecurity incident. By understanding our risk exposure, we can develop proper controls to mitigate each risk and keep our information safe. As part of our cybersecurity controls, we leverage the latest encryption configurations and technologies on our systems, devices, and third-party connections, and further vet third-party vendors' encryption, as required, through our vendor management process. We also require that third-parties abide by our vendor code of conduct, which mandates compliance with our confidentiality, security, and privacy procedures.

Our cybersecurity program is focused on continuous improvement and the development of strong partnerships and interworking relationships. To achieve these outcomes, we rely on a four-pillar framework containing the following elements:



CYBERSECURITY GOVERNANCE

Ensuring proper oversight and BSP employee participation in the adoption of a strong oversight culture.



CYBERSECURITY PROGRAM MANAGEMENT

Regular assessment of the risk landscape with a focus on ways in which we can mitigate, report, and manage associated risks.



SECURITY OPERATIONS

Focus on systems and processes to identify, detect, respond to, and predict cybersecurity risks, ensuring we are able to protect our systems and operations.



CYBERSECURITY PROGRAM EFFECTIVENESS

Assessment of our risk landscape, compliance management, third-party vulnerability testing, and control effectiveness.

As part of Franklin Templeton's Corporate Information Security Policy and Program, we conduct annual web based training supplemented by a phishing program, cyber awareness month, tabletop exercises, business unit sessions, and publication of relevant articles.

We also abide by Franklin Templeton's Corporate Privacy Policy and global privacy program, which enforces a global approach to data privacy, protecting both our employees and clients.

In the event of a security breach impacting FBRT, the Franklin Templeton incident response plan, which is updated regularly to ensure relevance to our business, activities, and potential threats, will govern the Company's response. Additionally, Franklin Templeton's security risk insurance provides coverage in the event that the Company incurs losses due to a cybersecurity incident. Due to our extensive cybersecurity threat prevention controls, we have not experienced any material cybersecurity breaches over the past three years.

Stockholder Rights

FBRT values our relationships with stockholders. In 2023, we maintained ongoing engagement through investor conferences, one-on-one meetings, virtual events, and phone and video calls. This communication provides valuable feedback and insights into new perspectives which we leverage to make informed decisions. We make a concerted effort to being responsive to feedback that we receive through these channels. This consistent and transparent communication has been, and will continue to be, an important part of our business strategy.

Our annual meeting is another important mechanism we use to engage directly with our stockholders. We provide multiple ways to vote, including internet, telephone, mail, and online, to ensure all stockholders are given the opportunity to vote, provide commentary, and ask questions. The annual meeting is held virtually and has been specifically designed to offer all stockholders the ability to participate, regardless of their ability to meet in-person.

We demonstrate our commitment to stockholder value by actively listening to their feedback. This responsiveness is evident in our recent inclusion of an Annual Management Say on Pay proposal, which was first included on the 2023 annual meeting ballot. Such initiatives exemplify our ongoing efforts to adapt our policies and processes to ensure alignment with long-term stockholder interests.

In 2024, we held conversations with several of our largest institutional stockholders on environmental, social, and governance-related matters. Through this engagement, we received feedback on a variety of related topics, including appreciative notes on our sustainability program, including the release of our inaugural Corporate Responsibility Report and our diversity efforts in 2023. Additionally, our stockholders noted that we should continue to lean on our relationship with Franklin Templeton to enhance our progress in this area. We look forward to continuing to build upon our existing relationship with Franklin Templeton to positively impact our ESG program, policies, and initiatives. For additional information on our stockholder engagement efforts, as well as details on engagement topics, please refer to our [2024 Proxy Statement](#).



Oversight of Compensation Risk

FBRT is externally-managed and the BSP employees providing services to FBRT pursuant to the management agreement are compensated by BSP.

The Compensation Committee of our Board of Directors oversees and reports to the Board on the assessment and mitigation of risks associated with FBRT's and the Advisor's compensation policies and practices. The Compensation Committee also oversees the work of its independent compensation consultant, who advises on pay structures, performance metrics, and industry benchmarks.

Our Compensation Committee may, from time to time, grant awards consisting of restricted shares of our Common Stock, restricted stock units and/or other equity-based awards to qualified directors, officers, and other personnel, including the named executive

officers ("NEOs"). In 2023, equity awards of FBRT stock were granted to executive officers and Advisor employees who provided substantial services to the Company, further aligning their interests with the Company's long-term value creation. Additionally, stock ownership requirements and a three-year vesting period for executive officer equity awards ensure long-term commitment and value creation.

For a more in-depth analysis, please refer to the Compensation Discussion and Analysis section of our [2024 Proxy Statement](#).

Business Ethics and Transparency

We are committed to conducting our business in an ethical manner, and use that commitment as a foundation for our governance and investment practices. Through this, we are able to maintain the trust of our stockholders and broader stakeholders. These practices are underscored by FBRT's [Code of Ethics \(the "Code"\)](#), which is reviewed annually and maintained by FBRT's Board of Directors. Our Advisor's Compliance Team, which works to ensure compliance with all applicable laws and regulations, complements the aforementioned policies and trainings. Additionally, this team facilitates communications with subject matter experts to identify, monitor, and mitigate compliance risks.

As described in our Code of Ethics, we are committed to the highest standards of legal and ethical conduct in our business practices. This Code, beyond the above Statement of Purpose, includes information on rules, conflicts of interest, confidentiality of information, full and fair disclosure, reporting of violations, and compliance with relevant laws and regulations.

Employee Training on Business Ethics

All employees are required to acknowledge the BSP's Code of Ethics during onboarding, and annually thereafter. To complement this acknowledgement, BSP also provides all employees with annual training on anti-bribery and anti-corruption. 100% of BSP employees completed the training in 2023. Through the annual acknowledgement and training, BSP is able to reinforce a high standard for business conduct and ensures all employees remain apprised of any adjustments to our policies.

Whistleblower Policy and Grievance Reporting

As part of our commitment to good governance and ethical business practices, we have a whistleblower policy that encourages our stakeholders to engage with FBRT on suspected misconduct, violations of our Code of Conduct, or any other concerns. Any internal or external persons that wish to report concerns or discuss potential violations of our policies are encouraged to use our hotline as a grievance reporting mechanism.

The FBRT Audit Committee logs and investigates all submitted reports – whether to our whistleblower hotline or through alternate channels – and determines the appropriate corrective actions. All whistleblowers remain protected through our anti-retaliation policy, which states that no employee can be discharged, demoted, suspended, threatened, or harassed for making a good faith complaint. In addition, unless necessary to conduct an adequate investigation, the identity of individuals who file a report shall remain confidential.

Beyond the Code of Ethics, we have a comprehensive library of [corporate policies](#) that support ethical and transparent operations. These policies are developed with the intention of guiding employee, contractor, and supplier behavior and interactions.

Our comprehensive library includes our:

[Anti-Bribery and Anti-Corruption Policy](#)

[Anti-Harassment and Anti-Discrimination Policy](#)

[Corporate Environmental Policy](#)

[Political and Charitable Contributions Guidelines](#)

[Whistleblower Policy](#)

[Conflict Minerals Policy](#)

[Statement on Human Rights](#)

Our Statement on Human Rights is aligned with the United Nations Guiding Principles on Human Rights, embodying our view on this important issue and outlining clearly FBRT's stance that it does not tolerate discrimination, child labor, forced labor, or breaches of human rights.

SOCIAL

Our People

Pursuant to our advisory agreement, FBRT is managed by Benefit Street Partners L.L.C. and thus has no employees of its own. BSP's team provides expertise to support FBRT across the majority of our services, including those related to origination, acquisitions, accounting, legal, asset management, wholesale brokerage, and investor relations. While the activities and initiatives outlined in this section are bespoke to BSP and FBRT, related resources, initiatives, and events provided by Franklin Templeton remain available to BSP employees and are often integrated into BSP's employee engagement efforts.

The BSP workforce is comprised of a diverse group of individuals, each of whom offer extensive real estate knowledge and credit expertise. As a financial services company, BSP acknowledges the important role that a competitive workforce plays in driving overall business success. Therefore, we are committed to creating an environment that encourages growth and rewards achievement while also prioritizing the existence of a safe, diverse, and inclusive workplace.

Talent Attraction and Development

BSP's talent attraction and development efforts are focused on fostering individual and firm-wide growth. We endeavor to build a diverse and talented workforce where our employees are supported in reaching their full potential. Reaching this goal starts with finding individuals that offer expertise and well-rounded views to expand the capabilities of our team. BSP recruits talent based on the current and anticipated needs for certain roles.

BSP is committed to providing equal employment opportunities when hiring new talent and promoting existing talent. Our practices for protecting the rights of all employees are guided by our [Anti-Discrimination and Anti-Harassment Policy](#).

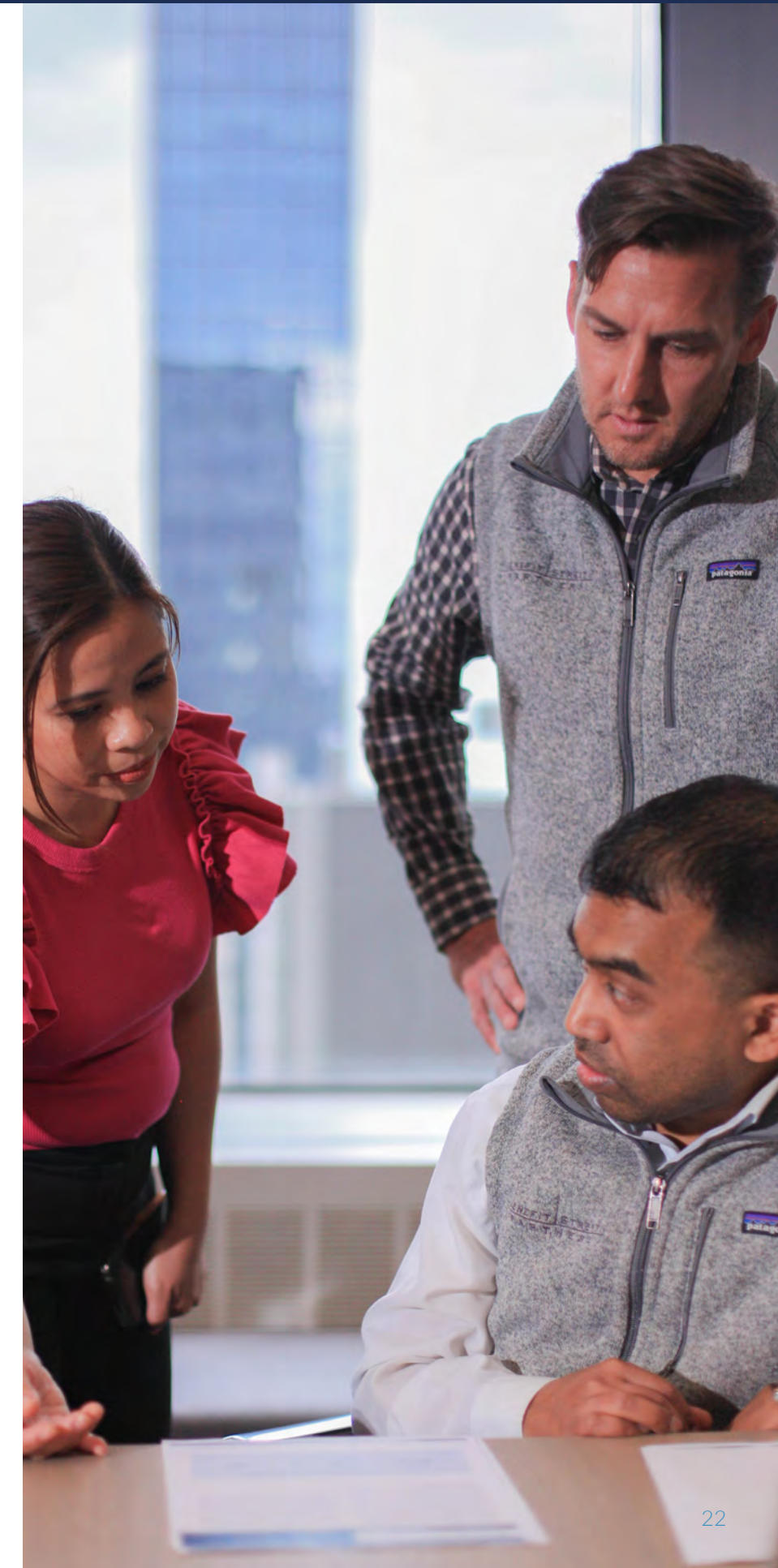
BSP's human capital management practices are focused on providing professional development opportunities in a manner that takes an individualized approach for each employee while simultaneously promoting overarching business goals. These practices include routine goal-setting, semi-annual performance evaluations, succession planning, and leveraging formal channels to communicate learning and development opportunities to all employees. We find that our approach to human capital management allows employees to progress individually while working towards the overarching objectives of the Company and its stakeholders.

As an onboarding requirement, all new employees complete the New Employee Learning Series, a training course that familiarizes new hires with our Company strategy, values, and expectations, while introducing employees to the array of resources that are available to advance their skills and career development. To ensure new employees are integrated into Company culture, uphold our workplace values, and contribute to an environment of belonging and engagement, BSP also provides new hires with Franklin Templeton's inclusive education training.

BSP offers an array of trainings and mentorship programs through the Learning at FT Portal, where all employees have access to relevant and useful knowledge to support their continued growth. Through the Franklin Templeton ("FT") Academy, BSP provides job-specific trainings with up-to-date knowledge for various disciplines. Further, BSP employees have access to LinkedIn Learning, allowing for participation in a range of courses to expand their offerings and skillset. These courses encourage employees to continue developing expertise in their field and to remain informed of foundational protocols and emerging topics, such as those related to sustainable investing.

In addition, all employees are eligible for tuition reimbursement if they choose to pursue advanced certifications. To support this endeavor, Franklin Templeton offers BSP employees discounted review materials and discount agreements on other expenses incurred during these courses or certifications.

Another critical focus area of our human capital management strategy is leadership and management training. We view proper managerial training as critical to the success of our employees and business. BSP offers leadership training on problem solving, project planning, coaching, and critical thinking. These trainings support the professional development of individual employees and leaders, while also benefiting our teams and contributing to our success as a firm. To supplement leadership education, employees at all professional levels can participate in the New Leader Learning Path to improve their leadership skills. Leadership training, led by a third party, is also provided annually to certain executives to provide additional perspectives and instruction on best practices.



Employee Engagement and Incentives

Employee Engagement

Understanding the needs of our workforce is critical to maintaining a desirable work environment and enhancing employee satisfaction – two factors that directly affect the success of the Company. BSP utilizes an array of platforms to engage directly with employees and garner feedback as a mechanism to ensure all relevant matters are addressed.

Select BSP efforts to enhance the employee experience include:



Quarterly town hall meetings, in which employees meet with our business leaders to discuss any important or relevant updates.



Annual employee surveys to better understand employee sentiment and receive formalized feedback, which can then be implemented.



Semi-annual performance reviews in which employees are offered specific and clear feedback, as well as recommendations on actionable improvements and career development opportunities.

BSP is focused on facilitating employee development by creating a workplace that encourages continuous growth and learning. To encourage individualized growth, we updated our performance review process to occur semi-annually, rather than just annually. To ensure a holistic review, each employee has the opportunity to complete a self-review, which is supplemented by reviews from both their manager and peers. Following completion of the reviews, each employee is provided with direct feedback and guidance on opportunities for both near-term improvement and long-term career development opportunities. In 2023, 100% of BSP employees completed a performance review.

In alignment with our goals to build a diverse and inclusive work environment, BSP offers development opportunities to historically under-represented groups in the real estate industry. These efforts are intended to increase access to mentorship and career development opportunities for all employees by actively addressing gaps of representation within the industry.

BSP has taken strides to uplift our internal women's network, Women of FT Alternatives, with the hopes of providing opportunities for fellowship, mentoring, growth, and recognition. In line with these efforts, we held a women's professional development day at the New York Stock Exchange in 2023. Further, BSP publishes a quarterly newsletter that spotlights women in our organizations, offers professional and community-focused development and engagement opportunities, and includes related thought-leadership pieces. The newsletter is distributed to a supplemental intracompany chat for further discussions.



Benefits & Incentives

At BSP, we offer competitive monetary and nonmonetary benefits. All BSP employees are all provided with a base salary and benefits, which are supplemented with an incentive plan. Our leadership team believes that allowing employees to share in the realized success of the organization enhances overall buy-in from our workforce, in turn helping to ensure strong company performance.

BSP's compensation program was strategically developed to attract and retain top talent and reward desirable performance. The compensation program aligns pay incentives with the short- and long-term objectives of our business to promote our broader business goals among employees. To further align incentives, all employees are eligible for an annual cash bonus and senior level employees are eligible for stock incentive compensation.

Pay equity is another critical component of BSP's compensation model and is a driver in BSP's continued efforts to build a highly qualified and competitive team. Our compensation models are reviewed on an annual basis to ensure all pay-related policies and practices are fair and inclusive. Additionally, restricted stock grants and Board compensation are assessed by FBRT's Compensation Committee, in partnership with a compensation consultant, to validate the fair and effective nature of our practices.

Beyond compensation, BSP ensures that its employees have access to quality health and benefits plans. BSP assesses the efficacy and competitiveness of its health and benefits plans annually to certify that its employees are provided with quality and affordable options to protect their health, safety, and wellness.

Benefits offered to BSP's workforce include:



Competitive compensation that is above living wage



Competitive health (medical, dental and vision), wellness, and risk benefits for employees and their dependents



Flexible spending and health savings account for healthcare and dependent care



401(k) retirement savings program, including company matching contributions, stock purchase plan, and other incentive programs



Short- and long-term disability insurance



Paid family caregiver leave and a minimum of 12 paid weeks of family parental leave (birth, adoption, and surrogacy)



Paid time off for volunteering



Flexible work environment and inclusive, collaborative culture

BSP's Worklife Assistance Program provides employees with comprehensive virtual health care and telehealth services that offer support for mental and emotional health along with physical fitness. As part of the Worklife Assistance Program, employees have access to a 24/7/365 consultant who can help employees form a lifestyle with an appropriate work-life balance. BSP believes that promoting the well-being of our employees is critical to build and maintain an efficient and healthy workforce.

BSP operates with a hybrid work model to enhance the flexibility of its employees' schedules. We believe that offering flexible work opportunities supports the wellness and mental health of employees and encourages enhanced work-life balance. BSP uses online tools and collaborative virtual platforms to maintain engagement and collaboration among virtual and on-site employees. We employ these platforms to enable a productive hybrid working environment and have found this model to be successful in doing so.

Our people are critical to the long-term growth and success of our business. By offering top benefits and competitive pay, we can reward their success, protect their health and well-being, and encourage performance that aligns with our business goals.



Diversity, Equity, and Inclusion

A diverse environment that brings a plethora of ideas, experiences, and backgrounds is fundamental to our growth as a business. BSP's Diversity, Equity, and Inclusion ("DEI") program is led by Franklin Templeton's Chief Diversity Officer, who reports directly to Franklin Templeton's CEO. Oversight and management of DEI at BSP is a joint effort among the Office of DEI, Diversity & Inclusion Executive Council, Business Resource Groups, DEI Committee, and other firm leaders. This partnership is supported by the Executive Committee and Human Resources team to further advance and integrate DEI throughout BSP.

To supplement these efforts, BSP created a DEI team in 2023 which is comprised of 9 individuals. Our DEI team consists of a representative group of which 78% identify as female or racially or ethnically diverse. Over the past year, the team met consistently to discuss DEI-related topics and initiatives. The DEI team offers a platform for employees to explore relevant topics and promotes impactful initiatives at the firm.

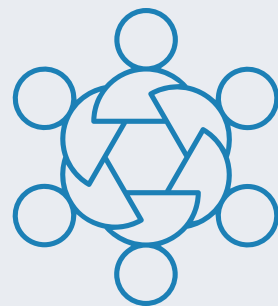
Along with BSP's DEI efforts and policies, FBRT has our own policies with which employees, suppliers, and partners are expected to comply to ensure we are effectively conducting business according to our values and best practices. We educate all employees on our [Code of Conduct](#), [Statement on Human Rights](#), and [Anti-Harassment and Anti-Discrimination Policy](#). These policies provide comprehensive and thorough guidance of FBRT's labor practices for both internal and external stakeholders. FBRT's policies reflect our dedication to conduct business in an ethical and equitable manner.

BSP is committed to providing equal employment opportunities when hiring by integrating various considerations into our recruitment process. BSP leverages Franklin Templeton's recruiting platform to broaden our reach to larger and more diverse pools of candidates. When hiring for a position, BSP aims to include at least one historically underrepresented candidate in the first round of interviews to ensure we are selecting talent from a diverse and wholly-representative pool.

Equal opportunity is also a core consideration in decisions related to compensation, performance, and promotions. We address such considerations based on merit and without discrimination on the basis of gender, sexual orientation, age, family status, ethnic origin, nationality, disability, or religious belief. BSP believes that integrating DEI considerations into our talent attraction and development process will ultimately build a more adaptable workforce, promoting long-term success.

Further, we take strides to protect the rights of all our employees, as outlined in our anti-harassment and anti-discrimination policies. BSP aims to provide proactive assurance of protected rights to minority groups. For example, our policies address the rights of our LGBTQ+ community, offering same-sex domestic partner benefits. We also work to mitigate barriers for people with disabilities by implementing necessary accommodations, such as adaptive equipment, allowances for on-site service animals, flexible work arrangement, and special parking assignments.

We believe that building an inclusive and safe work environment requires participation across all employees. Thus, employees are required to complete unconscious bias training annually to reinforce behaviors and best practices that contribute to a respectful and inclusive workplace for all. Through our trainings, employees are educated on topics such as bullying and abusive conduct, gender identity, gender expression and sexual orientation, dating and social relationships, empathy building, diversity and inclusion, stereotypes, discrimination, national origin harassment, in addition to manager roles and responsibilities that foster an inclusive workplace.



BSP is a signatory of the Institutional Limited Partners Association's ("ILPA") Diversity in Action Initiative. ILPA is a non-profit organization that engages limited and general partners who share a commitment to advancing diversity, equity, and inclusion in the private equity industry. The goal of the initiative is to educate market participants on the journey to becoming more diverse and inclusive and to encourage the adoption of specific actions that meaningfully advance DEI over time. BSP's role as a signatory includes participating in roundtable discussions, working groups, and surveys to drive forward best practices and industry transparency in diversity, equity, and inclusion initiatives.

Through Franklin Templeton, BSP offers a range of employee-led Business Resource Groups ("BRGs"). These groups bridge and connect colleagues through shared experience and an alliance to:

- Nurture collaboration and networking;
- Contribute insights on key business initiatives; and
- Support new employee recruiting and mentoring.

BSP Workforce Composition	2021 ¹	2022 ¹	2023 ¹
Female Employees			
Executive Management ²	11%	11%	11%
Non-Executive Management ³	36%	47%	47%
Professionals ⁴	10%	10%	9%
All Other Employees	45%	48%	49%
Minority Employees ⁵			
Executive Management	0%	0%	0%
Non-Executive Management	16%	17%	23%
Professionals	21%	21%	24%
All Other Employees	23%	21%	23%

¹ Data calculated for Benefit Street Partners U.S employees as of 12/31 of the applicable fiscal year.

² Executive management includes the Partners Committee. Executives that are also categorized as investment professionals are only included in this table once in the Executive category.

³ Non-executive management includes non-investment professionals Managing Directors & Directors.

⁴ Professional is defined as an investment professional.

⁵ Minority is defined as an employee that does not identify as White.

Our eight BRGs enhance the understanding of diversity in the workplace and broader communities, as well as foster a culture of mutual respect.

able Uniting and supporting those whose lives are impacted by disabilities. Raising awareness and acceptance of all abilities, ideas and perspectives, and supporting the mental well-being of our diverse workforce.

ben Supports the professional success of all Black employees by promoting environments that value diversity through four core pillars: Culture, Community, Career, and Commerce.

hola Facilitating the professional and personal growth of Hispanic and Latino employees and allies by creating an environment that promotes understanding and awareness of Latino culture.

veterans Serving Franklin Templeton's military veterans, active reservists, families and allies by increasing awareness and providing opportunities that honor the sacrifice of those who serve(d).

asian pacific islander Raising awareness and promoting an understanding of Asian and Pacific Islander ("API") backgrounds, experiences and identities, while advocating for the advancement and development of API professionals.

ethnicity Founded in EMEA, supports a thriving and inclusive environment for ethnic minorities through education, overcoming biases, allyship, inclusive recruitment practices, role models, community outreach, and culture.

pride Promoting an inclusive environment for LGBTQ+ employees to build networks, develop professional skills, and advance change and respect in the communities where we live and work.

women Elevating the visibility of key gender diversity issues, while also serving to encourage, inspire, champion and support women in our organization to reach their full potential.

Labor, Health, and Safety

Maintaining a safe and healthy workplace is imperative for BSP. We believe that our diligent efforts to mitigate health and safety risks at our workplace and among employees support a more productive and reliable workforce. Our Statement on Human Rights and Business Ethics Policy guarantee our employees' protection over their rights pertaining to working hours, fair wages, safe working environments, and the prohibition of forced or child labor. Further, BSP follows the requirements set by the Occupational Safety and Health Act ("OSHA"), as well as any applicable laws and regulations.

Our commitment to building a workplace of highest ethical standards, includes protecting the rights of our employees to support their best interests, including the right to freedom of association, collective bargaining, the right to organize, and to engage in workers' representation.

FBRT expects that all suppliers abide by the health and safety standards as outlined in our Statement on Human Rights. We hold our suppliers to high standards regarding working hours, employee wages, safe working conditions, and compliance with forced and child labor laws, to ensure our dedication to health and safety is upheld throughout the value chain.



Our Community

At FBRT, BSP, and Franklin Templeton, we recognize the significance of the well-being of the communities where we live and operate. We are committed to making a positive social and economic impact on these communities. To do so, we partner with local organizations through educational sponsorships and community development initiatives.

Our approach to community engagement is guided by three core tenets. These tenets guide the ways in which we support our communities to generate a positive impact.



COMMUNITY PARTNERSHIPS

By developing positive relationships with organizations, BSP can maximize the impact of charitable initiatives.



COMMUNITY INVESTMENTS

Support local communities with thoughtful and strategic contributions, community service, and education resources.



COMMUNITY INVOLVEMENT

Support the long-term goals and growth of communities with on-the-ground involvement.

We believe in a collaborative approach in which we not only support organizations that align with our core tenets, but also support causes that resonate with our employees. To receive support for personal initiatives, employees are encouraged to connect with their respective employment group who can help organize support and coordinate next steps. Additionally, we empower our employees to be active community members by offering a paid volunteer day and matching charitable donations up to \$1,000 per year.

We are proud of the work we have done in our communities over the past year, some of which is highlighted below:



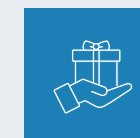
YWCA

In 2023, we worked closely with the local YWCA to repurpose office amenities from the closure of an FBRT satellite office that could benefit YWCA clients and services. The Rochester & Monroe Country YWCA has been a trusted and essential community for women and children for over 130 years.



Mount Sinai Kravis Children's Hospital

Every year, Kravis Children's Hospital organizes a toy drive through the Child Life and Creative Arts Therapy Department. BSP employees supported the winter 2023 toy drive by volunteering their time and collecting toys for children in need. BSP's contribution included \$5,000 in wish list items donated.

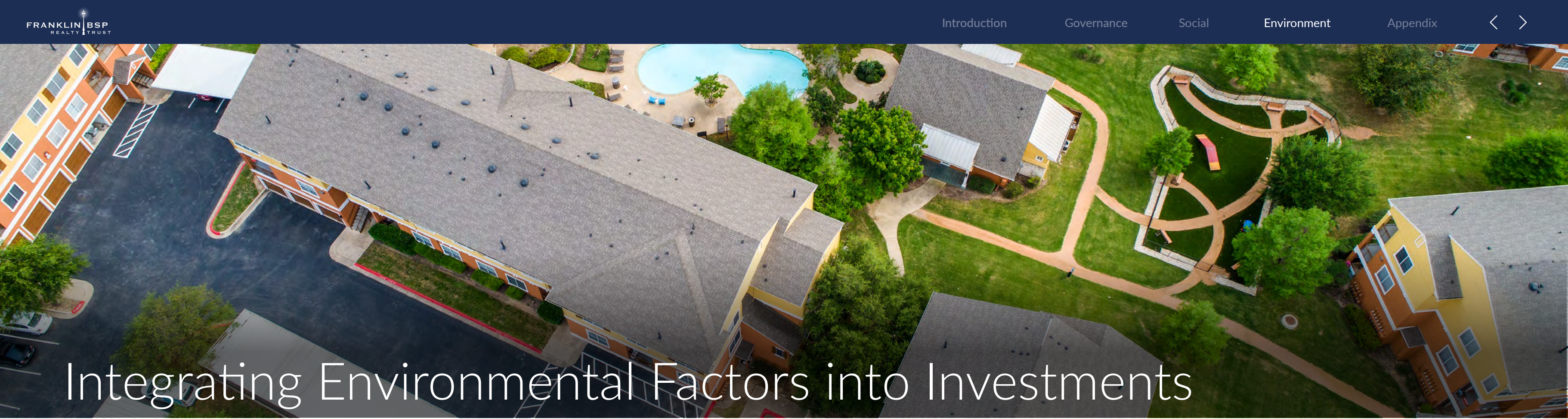


NYSE Global Giving Campaign

FBRT participates in the annual New York Stock Exchange ("NYSE") Global Giving Campaign. This event helps underscore our partnership and collaboration with SEO Career. During the 100th Annual Tree Lighting in November 2023, an ornament was hung to represent FBRT, along with other participants, which could be seen throughout the holiday season.

In addition to the initiatives described above, BSP continued its efforts to participate in the Cycle for Survival and Leveraged Finance Fights Melanoma initiatives in which we raised funds and awareness for various types of cancer. We also support the Movember organization, which focuses on raising awareness for men's health, mental health and suicide prevention, prostate cancer, and testicular cancer. While these are a few select highlights, we are proud of our efforts to support a variety of other organizations that create a positive impact on our communities.

ENVIRONMENT



Integrating Environmental Factors into Investments

At FBRT, our overall investment strategy is built to support well-informed and responsible decision-making. To this end, an array of environmental considerations are integrated into our due diligence and underwriting processes to strengthen our decision-making and maximize risk-adjusted returns. In doing so, we apply select environmental criteria and engage with asset owners to proactively address and mitigate material financial impacts. As identified through the risk assessment within our 10-K, climate change may increase the frequency and severity of extreme weather events which, in an instance where the properties securing our loans are affected, can have negative impacts on the value or returns of our investment. FBRT requires borrowers to obtain comprehensive insurance on the properties securing our loans to reduce financial risk.

To ensure our ESG investment criteria is effectively applied to our operations, FBRT depends on the partnership between senior management and the investment team's leadership. Generating awareness around relevant issues and prioritizing the assessment of potential ESG risks our operations. Please see [Embedding ESG Considerations Into our Investment Process](#) for more information on our strategies to integrate ESG considerations into our underwriting process.

Franklin Templeton is a signatory to the United Nations Principles for Responsible Investing ("UN PRI"), Institutional Investors Group on Climate Change ("IIGCC"), Investor Network on Climate Risk ("INCR"), and Social Investment Forum ("SIF"). FBRT gains access to the benefits from our relationship with FT, including access to an expansive network of support in navigating ESG risks and opportunities.

Sustainability Efforts in Our Operations

BSP's commitment to environmental sustainability influences many aspects of its business and operations. Beyond ESG-focused investment strategies, BSP evaluates innovative and effective solutions to minimize our direct environmental impact, some of which include reducing energy consumption and waste production in offices. These efforts exhibit the company-wide dedication to sustainability while simultaneously achieving cost reductions and contributing to a safe and healthy workplace.



BSP's efforts to minimize our environmental footprint and enhance workplace health and well-being are reflected in the Leadership in Energy and Environmental Design ("LEED") Silver building certification at our corporate headquarters.

Environmental Strategy

To ensure stability and effective risk management in a constantly evolving regulatory landscape, FBRT actively monitors and assesses environmental considerations along with the potential impacts of each on our business.

As reported in our 10-K, FBRT has identified specific climate-related risks that are relevant to our operations. We continually seek opportunities to improve our corporate responsibility reporting and alignment with

third-party frameworks by tracking best practices and norms across our industry peers. In recent years, our efforts to better align with peer performance led us to expand our corporate responsibility reporting, including publishing disclosures aligned with SASB standards.

Looking ahead, we are taking steps to further expand upon disclosures to enhance our corporate responsibility reporting, create value for our stakeholders, and to ensure compliance with potential climate reporting requirements posed by the U.S. Securities and Exchange Commission.

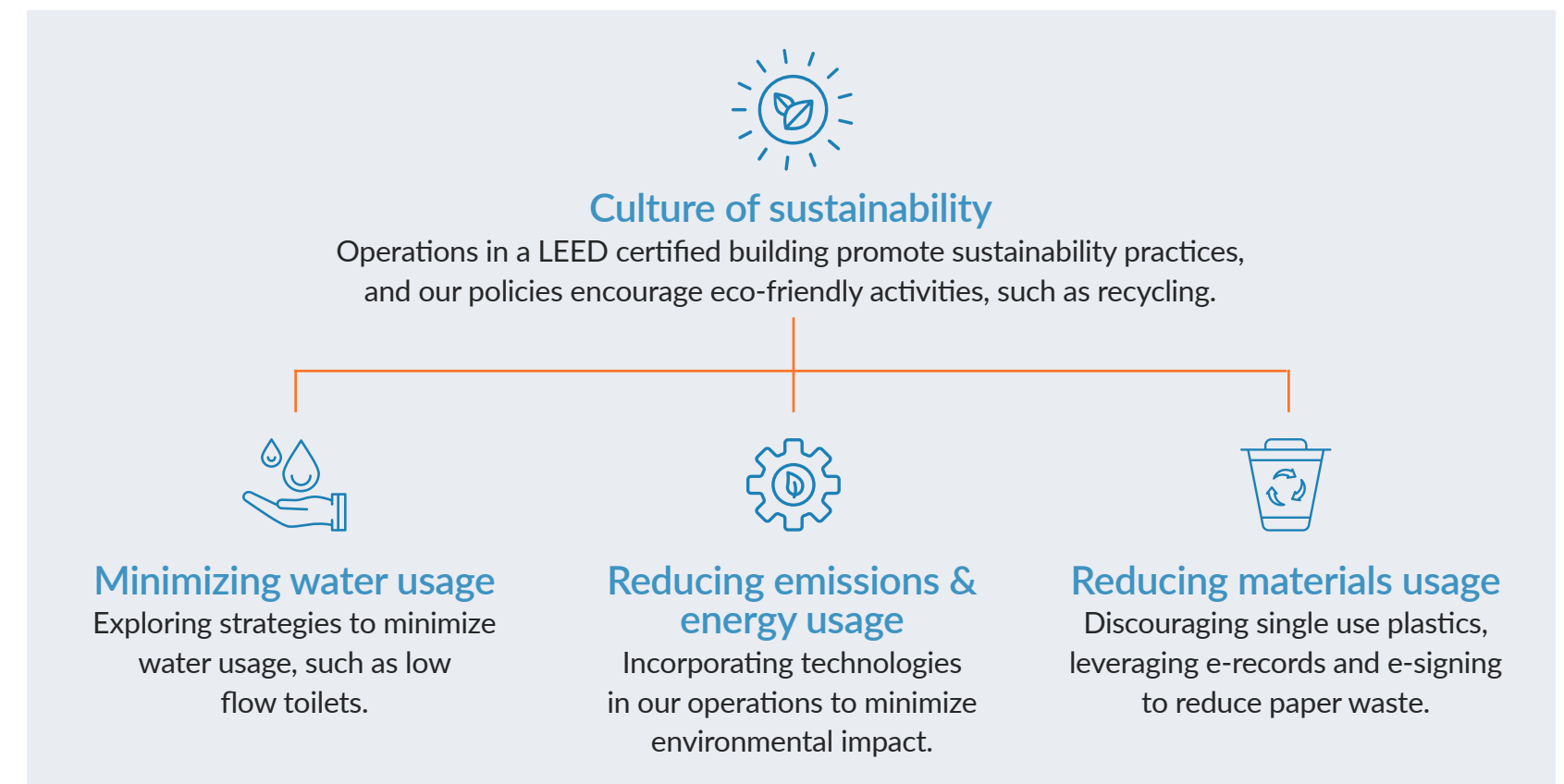
Operational Footprint

Reducing energy consumption and greenhouse gas emissions is beneficial to our environment and thus remains a prime consideration for FBRT. To minimize our environmental impact and reduce costs when selecting office equipment, we seek equipment and technology with lower emissions profiles, higher energy efficiency, and longer operational lives. Currently, our office spaces hold ENERGY STAR® appliances, motion detector lighting, and high-efficiency HVAC units, all of which are alternatives with more favorable environmental impacts. By implementing these technologies, we are doing our part in the larger effort to reduce emissions and environmental impact.

BSP has also made progress towards the goal of creating a more efficient hybrid work environment by migrating technology infrastructure to the cloud. Such efforts to create an effective hybrid workplace can reduce energy usage, paper and natural resource consumption, and have favorable effects on our carbon footprint.

As a result of BSP's hybrid work policy, business travel has decreased along with related emissions. A hybrid work environment has had favorable effects on our energy consumption within office spaces and allowed for strategic reductions in our footprint. For instance, hybrid working enabled BSP and Franklin Templeton to consolidate office spaces, such as in Rochester, New York.

In addition to our efforts to reduce energy and emissions, we encourage employees to minimize their water-use and waste generation. We support them in this endeavor by incorporating eco-friendly processes into the workplace.



APPENDIX



Performance Metrics

Metric	Unit	FY21	FY22	FY23
Our Employees ¹				
General Employee Data				
Number of Employees	Number	217	231	223
Full-time Employees ²	Number	217	231	223
Part-time Employees ³	Number	0	0	0
Average Headcount Executive Management ⁴	Number	9	9	9
Average Headcount Non-Executive Management ⁵	Number	25	30	34
Average Headcount Professionals ⁶	Number	105	110	101
Average Headcount All Other Employees	Number	78	82	79
New Hires	Number	59	37	36
Average Employee Length of Service	Years	4.9	4.4	4.3
Employee Training and Development				
Frequency of Ethics Training	Number	Annually	Annually	Annually
Required Employees who Complete Code of Conduct/Ethics Training	Percentage (%)	100%	100%	100%
Employees Receiving Regular Performance Reviews	Percentage (%)	100%	100%	100%

1. Given FBRT's external management by BSP, all related employee data pertains to BSP U.S. operations.

2. Calculated as of fiscal year end for employees who work 40 hours per week.

3. Calculated as of fiscal year end for employees who work less than 40 hours per week.

4. Calculated as of fiscal year end. Executive management includes the Partners Committee. Executives that are also categorized as investment professionals are only included once in the Executive category.

5. Calculated as of fiscal year end. Non-executive management includes non-investment professionals Managing Directors and Directors.

6. Calculated as of fiscal year-end. Professional is defined as an investment professional.

Performance Metrics

Metric	Unit	FY21	FY22	FY23
Governance ¹				
Board Composition ²				
Board Members	Number	8	7	7
Board Member Average Term Duration	Years	4	5 ⁴	6
Board of Directors Average Age	Years	62	63	62
Independent Directors	Number	7	6	6
Board Member Diversity ³				
Female Board Members	Number	3	2	2
Minority Board Members	Number	0	0	1
Board of Directors Gender Representation	Percentage (%)	38%	29%	29%
Board of Directors Diversity Representation	Percentage (%)	0%	0%	14%

1. Governance-related data regarding the Board of Directors pertains to the FBRT Board of Directors.

2. Board composition metrics calculated as of 12/31/2021, 12/31/2022, and 12/31/2023. For additional metrics, refer to our 2024 Proxy Statement.

3. Board diversity metrics calculated as of 12/31/2021, 12/31/2022, and 12/31/2023. For additional metrics, refer to our 2024 Proxy Statement.

4. FBRT has updated 2022 Board Member Average Term Duration from 6 years to 5 years.

Performance Metrics

Metric	Unit	FY21 ¹	FY22 ²	FY23 ⁷
Social				
Female Employees				
Executive Management ³	Percentage (%)	11%	11%	11%
Non-Executive Management ⁴	Percentage (%)	36%	47%	47%
Professionals ⁵	Percentage (%)	10%	10%	9%
All Other Employees	Percentage (%)	45%	48%	49%
Minority Employees ⁶				
Executive Management	Percentage (%)	0%	0%	0%
Non-Executive Management	Percentage (%)	16%	17%	23%
Professionals	Percentage (%)	21%	21%	24%
All Other Employees	Percentage (%)	23%	21%	23%
Total Number of Employees	Number	217	231	223

1. 2021 data calculated for Benefit Street Partners U.S employees as of 12/31/2021.

2. 2022 data calculated for Benefit Street Partners U.S employees as of 12/31/2022.

3. Executive management includes the Partners Committee. Executives that are also categorized as investment professionals are only included in this table once in the Executive category.

4. Non-executive management includes non-investment professionals Managing Directors & Directors.

5. Professional is defined as an investment professional.

6. Minority is defined as an employee that does not identify as White.

7. 2023 data calculated for Benefit Street Partners U.S employees as of 12/31/2023.

Sustainable Accounting Standards Board Framework

Key Topic	Metric	Category	Unit of Measure	Code	Disclosure
SASB Mortgage Finance (FN-MF)					
Lending Practices	(1) Number and (2) value of residential mortgages of the following types: (a) combined fixed- and variable-rate, (b) prepayment penalty, and (c) total	Quantitative	Number, Reporting Currency	FN-MF-270a.1	Franklin BSP Realty Trust, Inc. ("FBRT") only originates, acquires, and manages commercial real estate debt. FBRT does not invest in residential mortgages of any kind.
Lending Practices	(1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deeds in lieu of foreclosure	Quantitative	Number, Reporting Currency	FN-MF-270a.2	FBRT only originates, acquires, and manages commercial real estate debt. FBRT does not invest in residential mortgages of any kind.
Lending Practices	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	Quantitative	Reporting Currency	FN-MF-270a.3	FBRT takes great pride in its compliance program with respect to regulations related to its business, including its lending activities to both new and existing borrowers. The Company has not been party to any material legal or regulatory proceedings related to its business practices and has not sustained any monetary losses associated communications to customers or remuneration of loan originators. Please see our 2024 Proxy Statement for more information.
Lending Practices	Description of remuneration structure of loan originators	Discussion & Analysis	N/A	FN-MF-270a.4	Please see Employee Recruitment, Development, and Retention section for information on the remuneration structure of loan originators.
Discriminatory Lending	(1) Number, (2) value, and (3) weighted average loan-to-value ratio of mortgages issued to (a) minority and (b) all other borrowers	Quantitative	Number, Reporting Currency, Percentage (%)	FN-MF-270b.1	FBRT only originates, acquires and manages commercial real estate debt. FBRT does not invest in residential mortgages of any kind.
Discriminatory Lending	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	Quantitative	Reporting Currency	FN-MF-270b.2	FBRT takes great pride in its compliance program with respect to regulations related to its business, including its lending activities to both new and existing borrowers. The Company has not been party to any material legal or regulatory proceedings related to discriminatory mortgage lending and has not sustained any monetary losses associated with anti-competitive behavior, malpractice, insider trading, market manipulation, fraud, anti-trust, marketing, or other related financial industry laws.

Key Topic	Metric	Category	Unit of Measure	Code	Disclosure												
Discriminatory Lending	Description of policies and procedures for ensuring nondiscriminatory mortgage origination	Discussion & Analysis	N/A	FN-MF-270b.3	FBRT only originates, acquires, and manages commercial real estate debt. FBRT does not invest in residential mortgages of any kind.												
					FBRT takes great pride in its compliance program with respect to regulations related to its business, including its lending activities to both new and existing borrowers. The Company has not been party to any material legal or regulatory proceedings related to its business practices and has not sustained any monetary losses associated with anti-competitive behavior, malpractice, insider trading, market manipulation, fraud, anti-trust, marketing, or other related financial industry laws.												
					Please find additional information about our compliance with local laws and regulations in the Business Ethics and Transparency section .												
Environmental Risk to Mortgaged Properties	(1) Number and (2) value of mortgage loans in 100-year flood zones	Quantitative	Number, Reporting Currency	FN-MF-450a.1	<table><tr><td></td><td>Year</td><td>Number</td><td>Value</td></tr><tr><td>Loans in 100-year flood zones¹⁶</td><td>2022</td><td>5</td><td>\$103,308,343</td></tr><tr><td>Loans in 100-year flood zones</td><td>2023</td><td>6</td><td>\$117,560,034</td></tr></table>		Year	Number	Value	Loans in 100-year flood zones ¹⁶	2022	5	\$103,308,343	Loans in 100-year flood zones	2023	6	\$117,560,034
	Year	Number	Value														
Loans in 100-year flood zones ¹⁶	2022	5	\$103,308,343														
Loans in 100-year flood zones	2023	6	\$117,560,034														
Environmental Risk to Mortgaged Properties	(1) Total expected loss and (2) Loss Given Default (LGD) attributable to mortgage loan default and delinquency due to weather related natural catastrophes, by geographic region	Quantitative	Reporting Currency, Percentage (%)	FN-MF-450a.2	FBRT did not sustain any material losses as a result of mortgage loan default and delinquency due to weather-related natural catastrophes. As a mortgage REIT, we require our borrowers to maintain casualty insurance on the collateral properties.												
Environmental Risk to Mortgaged Properties	Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting	Discussion & Analysis	N/A	FN-MF-450a.3	Please find a description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting in the ESG Considerations in Our Investments section .												
Activity Metrics																	
	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial	Quantitative	Number, Reporting Currency	FN-MF-000.A	<table><tr><td>Type of Mortgage</td><td>Year</td><td>Number</td><td>Value</td></tr><tr><td>Commercial Mortgages Originated¹</td><td>2022</td><td>161</td><td>\$5.3B</td></tr><tr><td>Commercial Mortgages Originated²</td><td>2023</td><td>144</td><td>\$5.0B</td></tr></table>	Type of Mortgage	Year	Number	Value	Commercial Mortgages Originated ¹	2022	161	\$5.3B	Commercial Mortgages Originated ²	2023	144	\$5.0B
Type of Mortgage	Year	Number	Value														
Commercial Mortgages Originated ¹	2022	161	\$5.3B														
Commercial Mortgages Originated ²	2023	144	\$5.0B														
	(1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial	Quantitative	Number, Reporting Currency	FN-MF-000.B	FBRT participates in the origination of commercial real estate debt, but does not purchase any residential or commercial mortgages. Please find originated loans in FN-MF-000.A.												

1. Franklin BSP Realty Trust (“FBRT”) participates in the origination of commercial real estate debt, but does not purchase any residential or commercial mortgages.
2. Franklin BSP Realty Trust (“FBRT”) participates in the origination of commercial real estate debt, but does not purchase any residential or commercial mortgages.

Key Topic	Metric	Category	Unit of Measure	Code	Disclosure
Asset Management & Custody Activities (FN – AC)					
Transparent Information & Fair Advice for Customers	(1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Quantitative	Number, Percentage (%)	FN-AC-270a.1	To the best of our knowledge and in our view, Benefit Street Partners L.L.C. did not have any covered employees with a record of any material investment-related investigations, consumer-initiated complaints, private civil litigations or other regulatory proceedings in 2022.
Transparent Information & Fair Advice for Customers	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers	Quantitative	Reporting Currency	FN-AC-270a.2	In 2022, FBRT did not sustain any monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers. Any material legal proceedings are published in periodic reports filed with the U.S. Securities Exchange Commission.
Transparent Information & Fair Advice for Customers	Description of approach to informing customers about products and services	Discussion & Analysis	N/A	FN-AC-270a.3	Please find the description of the approach to inform our investors about our products and services in the About Franklin BSP Realty Trust, Inc. section of this report.
Employee Diversity & Inclusion	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	Quantitative	Percentage (%)	FN-AC-330a.1	Please find a breakdown of gender and minority group representation in the Diversity, Equity and Inclusion section of this report.
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	Quantitative	Reporting Currency	FN-AC-410a.1	FBRT does not specifically manage a certain asset class with a specific focus on environmental, social or governance issues. ESG is integrated during our screening and diligence process. Additionally, FBRT does not employ sustainability themed investing. FBRT is dedicated to being a responsible steward of capital. The policy set forth by Benefit Street Partners L.L.C. guide the overall objectives of FBRT and are refined to complement our varied investments strategies. The investment policy covers relevant environmental, social, health, safety, labor and governance issues. Please find the policy here and expanded discussion of the incorporation of ESG factors into our investments process in the ESG Considerations in Our Investments section.

Key Topic	Metric	Category	Unit of Measure	Code	Disclosure
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment or wealth management processes and strategies	Discussion & Analysis	N/A	FN-AC-410a.2	Please see expanded discussion of our approach to incorporation of ESG factors investment management and advisory in the ESG Considerations in Our Investments section .
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Description of proxy voting and investee engagement policies and procedures	Discussion & Analysis	N/A	FN-AC-410a.3	FBRT does not engage in proxy voting because we currently do not invest in publicly traded company equities. Therefore, FBRT does not have a proxy voting and investment engagement policy or procedure set. For more information on how we engage with our stockholders, refer to the Stockholder Rights section of this report.
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	Reporting Currency	FN-AC-510a.1	In 2023, FBRT did not sustain any monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice or other related financial industry laws or regulations. Additionally, we report any material legal proceedings in our periodic reports filed with the SEC.
Business Ethics	Description of whistleblower policies and procedures	Discussion & Analysis	N/A	FN-AC-510a.2	Please find our Whistleblower policy here and a description of policies and procedures in the Governance section of this report.
Activity Metrics					
	Total assets under management (AUM)	Quantitative	Reporting Currency	FN-AC-000.A	Franklin BSP Realty Trust's core portfolio had \$5.0 billion of principal balance and \$6.0 billion total assets as of December 31, 2023.
	Total assets under custody and supervision	Quantitative	Reporting Currency	FN-AC-000.B	Franklin BSP Realty Trust does not have any assets under custody and supervision.

